would probably be 15 per cent less commission tariff we have be-be Georgia tariff. While at a rgia tariff. While at a a to be a distance tariff, hat lower rates within the limit are really value of serv-is stated by Mr. Hadley that advent of raironds products by warons at a profit for the a Texas distance tariff.

say that the wagon-haul limit e though for sevenly-three

> and 100 miles on first class from 12 cents for five miles t miles, or 32 cents. While miles the increase is only

is entirely out of propor-iservice. It is true that there the freight origin-

for home freight rates tare. I if such a basis

CALLED A DESCRIPTION cent miliate by Hon, John Joydan, from which we

promiseers and trans-

the rallway is built is e, except to some cases which are their own robuts woma not bear

## THE LAW OF DISTRIBUTION.

Lairs the Just and do Not Unjustly

:Bouriminate. in the capital employed; but is left, will represent projects, or the recally of primarily due to the con-

worthless than surface with opens a market for the our the coal, and the distri-proceeds of the sale of such coal sign a follow the same to meet the cost of deliver-term mals of the raincoad or of sale. Second, to meet a nent in the same or in other delivering to railroad or canal, perintendence and management.

as the royalty or measure of the value of

the property, due to the construction of the railroad or the canal.

'There is no value in the ground or mine until it is created by the investment of capiit in a means of transportation, whether that is by the wheel-barrow, by a cart, by a

waren, by rail or by water."

Mr. Wright's distribution is certainly correct, as long as there is enough realized to pay the cost of production and the return on the capital employed in production. After paying the previous charges in his list of distribution, if a sufficient amount is not realized to pay the capitalist on his capital invested in production and the car-rier nevertheless insists on receiving the a pleasure of the carrier full amount on his investment, the prothe rates under 250 ducer or capitalists will go out of business
and in the end the carrier will lose it enbusiness to go on, if such shrinkage does not permanently bring the carrier below the cost of transportation service. This is, in a nutshell, what value of service, or other to the Abilene man would be so increased rwise expressed, what the traffic will bear, that he would only be, financially, aguilles.

In the quotation Mr. Wright also answers

It has been urged that the Abilene man

the question that has been asked as to what extent the railway company could look to local traffic and to what extent to through

make the property of the producer is not to be considered in determining the transpropertion in so properties in apparent conflict, as in one place he contents that the profit to the producer is not to be considered in determining the transproperties in a portation charge, and in another place he indicates that it is part of the province of the principle upon the principle upon the profit.

the based and but deer while increasing the traffic.

We think we have fully shown what concern the railway company has in the profits are shalf of its pressure that for its pressure that the producer and need not pursue the railway company has in the profits of the producer and need not pursue the railway company has in the profits.

subject further.

The fact that the commerce and production of Texas is constantly increasing under the present freight rates, demonstrate that the commerce and production of the present freight rates, demonstrate that the present freight rates, demonstrates that the present freight rates. under the present freight rates, demonstrates that in general they do not exceed the value of service, and hence unless it can be shown that the carriers are receiving a larger revenue on the investment than they are cultified to a general reduction in rates can not be justic made. As long as the railways are not earning too much on their investment, the people of Texas have no right to demand or expect the railways to work for them for LESS THAN THEIR SERVICES ARE ACTUALLY

Wonter. It wengins to consider the provise, that where the demand at a point of consump-tion can be supplied from either of two or more places on the same route, from one of

which the cost of service is lower a lower rate should be given from such point. If the carrier could had all of the freight from the place where the cost of service is less, even at a less rate, the carrier will necessarily make more profit out of the large from that point. If the tariffs are so arranged as to permit one-half of the sun ples to be implied from the place where the lieve the burden past of scryice is higher, a loss results to the carrier, which must be borne in some would otherwise

self for the loss by charging patrons generally a higher rate, or if the condition of the traffic is such that rates cannot be so arranged as to pay the carrier an alequate re-

turn, the loss will rest on the carrier.
In this instance there is nothing contributed to the general treasury by the point
from which the service is high, but on the there is a depletion of the treas-hence a positive injury as before xulained, either on the point of consump In this character of case, if the point from which the cost of service is greater be given a rate to enable it to do business, it is dea rate to enable it to do distress, it is de-parting from the principle of correct rate making, and enturing the field of protec-tion, pure and simple (regulating the com-merce of the country, of which supposed action of the carriers so much complaint has been madel, and the result is the same whether the protection is afforded by the railway tariff or a tariff duty, or by bounty. If the proceeding is had in one instance. If the principle is bad in one instance,

We have assumed that the cost of pro-We have assumed that the cost of pro-duction at the two places was the same. Of course if the cost of production is pro-pertionately less at the point from which the cost of service is greater, it could still do business with the rates adjusted with reference to cost of service. If such con-dition did not exist the consumer would ill be protected, for whenever the point om which cost of service is less attempted but up the price higher than its less cost

As an illustration of this qualification of he rule, take the case of Dallas, recently resented to the commission. Dallas claims ates which will cuable her to sell Western reclaims and manufactures to Abilene and veston, or direct from the pro es and factories having agents in those Dallas produces nothing to be con-she has nothing to make her a anufacturing city, except fresh water, hich can be secured at any point on the catrie by sinking an artesian well. The restern products and the manufactures which she wishes to sell, or the raw mate-rial she wishes to manufacture and after-wards sell (taking the Texas and Pacific for example), must come from the East, be-cond the line of the Texas and Pacific, Now it is patent that the Texas and Pacific an carry this freight more cheaply direct Athlene than it can stop at Dallas, note it there, once in and once out, if then earry it to Abilene. Of an would the extra cost consist! If the nd then carry what would the extra cost consist! eight went direct to Abilene, the freight outd move smoothly along one of the cubic tracks of the Texas and Pacific exading through Dallas, without the payent of any tolls at Dallas. If, however, e freight is stopped at Dallas the carnust be switched to the freight yard, unacled, freight checked, notice of its arrival at to the consigner, receipts taken, etc., here the Dallas merchant has sold it in When the Dallas merchant has sold it in Abilene, it must be brought back to the deng made out, switched back into a train n the main line, all of which involves, be-bles elevical and labor expense, loss of ser-ner of the car while stopping at Dallas, ervice of the switch engine and switch the Dallas yard. The ordinary charge ma by one railroad company against another for merely switching a car from one part of the city to another is \$2. This will illus-

CHARACTER OF THE COST IN OURSTION. Now it is clear that somebody has got to my for all this. If rates are so arranged hat the freight can be handled at Dallas nd shipped out and sold at a profit at Abi leas, it would either result in an increase of the present through rate and consequent increase in cost to the consumer at Abilene or in the loss of reasonable profit to the railway company from the shipment, which would have to be made up out of its customers general-ly. It is just this character of discrimination which the long and short haul clause of the

lucrative wholesale business, for she enjoyed discriminating rates either openly or covertly, the burden of which had to borne by the consumers in the towns which she supplied, or the loss was made up by the customers of the railroads generally, and in

particular by those at competitive intermediate stations.

If you concede the principle that Dallas has the right to have the rates so arranged that she can sell Western products and Western manufactures in Abliene, instead of having them go direct from the manu-

would be benefited by having a market near by from which to secure his supplies. The only difference, as it now stands, is that he is required to send in his orders a extent the rallway company could look to local traffic and to what extent to through traffic for remuncration on its capital. Unless a rallcoad is built primarily for the purpose of through traffic, it naturally looks to the country through which it is constructed for its support, for it was built principally for the benefit of that country, and that country primarily receives the benefit of its construction. A railroad in Texas certainly does not look primarily to the people of New York for support, and vice versa. If a road in Texas by participating in low through rates can attract through business and derive some profit therefrom, and to that extent lessen the local charges, it should do so, but under the law of distribution the local traffic must necessarily meet whatever deficit there may be after appropriating the earnings from the through traffic to the payment of fixed charges and dividends.

In the dise paper of Mr. Wright there is an apparent conflict, as in one place he contends that the profit to the producer is not tends the purchased at Dallas that the Abilence man, and manufactured from iron from St. Louis to Texas common points are 92, carloads, and 102, less than carloads. Rates from Dallas to Texas common points on such articles are 49 and 67, to which add 12% cents, and the result is giving Dallas the advantage in rates over St. Louis of 23% and 31%, regardless of the rate St. Louis has to pay to get the iron in, which increases the advantage of Dallas, It is true that the Texas iron is given a very low rate to St. Texas iron is given a very low rate to St. Louis, otherwise they could not ship it, and the iron industries of Texas would be re-pressed, and the railroads would lose the pressed, and the rairoads would like ine-small profit which they now make out of the iron. Would it be good point, or does ballas expect by the fixing of high rates to keep all of the iron in the state or repress its production until such time as Dallas can manufacture all of the output.

As another illustration of the principle

As another illustration of the principle of rate making, suppose that in a short time Dallas became an important manufacturer of all articles made from iron, and is in a situation, on the basis of the present rates, to undersell St. Louis to Texas common points. Is it supposed that the rates from St. Louis to Texas common points will remain as they now are! Naturally some of the roads reaching the borders of Texas, such as the Iron Mountain, will reduce the rates from St. Louis so as to allow the St. rates from St. Louis so as to allow the St. rates from St. Louis so as to allow the St. Lauis man is continue to sell in competition with Dallas. The Iron Mountain would not make as much profit out of the traffic as now, but if it made any at all, however sight, it would be better than to give it up altogether. It would relieve its treasury to that extent, and to that extent would relieve the burden of its support from the people of Missouri and Arkansas, who would otherwise

the carrier, which must be borne in some way. It will be placed either entirely on the consuming point, on the carrier, or on its enstoners in general.

If, for the purpose of allowing both points to do business with the consuming point, the carrier raises the rate from the place while in fact, instead of being an injury, it would be a positive benefit to such intermediate point, of the microbed point, the result is that the price is increased at the point of the microbed point, as otherwise their rates would necessarily be higher to compensate for the consumption and the burden placed entire loss of revenue on the Texas business. St. Louis and Dallas would divide the Texas business, and Texas would not then the carrier must reimburse himself for the loss by charging patrons general. while in fact, instead of being an injury, it would be a positive benefit to such intermediate points, as otherwise their rates would necessarily be higher to compensate for the entire loss of revenue on the Texas business. St. Louis and Dallas would alvine the Texas business, and Texas would enjoy the benefit of competition from competitive points of supply, for competition not only effects price, but quality, the price being only one among the many benefits which would result, and the burden of transportation would be equitably distribtransportation would be equitably distrib-

merely as an illustration of the principle, and because it was the one inst. before the commission. We have discussed it regardtion alone or on the patrons of the carrier generally, or temperarily on the carrier until the conditions of the general tradicare such that he can reimburse himself from it.

unission were fixing both state would be entitled to have a rate into Dallas and out to Abliene, which would be equal to the present rate to Abliene, with the ad-ditional cost of handling the freight in and out of Dallas, and she could do business i she could overcome that difference against her, which, with trade moving in its legitimate channel, she could not,

It may be said that Texas should build up her interior points, if necessary, by protective freight rates. The constitution of the United States gives to congress the power f congress, will lay any imposts or duties be entitled to all privileges and immunities of citizens in the several states. Is it not intended by these provisions to make us commercially one country? Under the commerce clause, the supreme of the United restrictive of the commerce of other statesof course, with the exception of

QUARANTINE AND INSPECTION LAWS.

In view of these provisions of the Federal constitution and the rulings of the supreme court under the commerce clause, can the state, by protective freight rates, protect the commerce of its cities against the trade

of cities in neighboring states?
You will observe that the qualification of
the general principle is limited to cases
where the points of supply are on the same

In this connection the word "route" is not restricted to a road owned by one corporation or under one management. It may include a number of roads forming a route whose interests in the question are the

The reason of the qualification is ex-plained elsewhere. That is, if the points of supply are on different routes, the route having the place to which the cost of serv-ice is higher can afford to make any rate above the cost of service rather than lose the business entirely, and hence, if such minimum coes not preclude it it will meet the rate of the other route, and the other route, rather than get all the business by reducing its rate to such point as will in-volve a slight margin of profit, will share the business; thus if the cost of service be eb 2 per cent less from the one point than from the other, and there is a profit of 4 per cent (being a reasonable one) to the carrier from the reasonable one) to the carrier fr former, the carrier from latter cou the same rate and realize a profit of 3 per cent. Now it will pay the carrier from the former better to carry one-half of the busi-ness at 4 per cent profit than reduce the rate 2 per cent, thereby shutting out the other carrier and getting all the business at 2 per cent profit, for while it would realize the same aggregate profit in either case, still in the latter case it would be devoting double the facilities to the business withou deriving any more profit, one half of which facilities might be devoted to other busi

ness which MIGHT BRING ADDITIONAL PROFIT.

Let us make the application to the present lumber rates to North Texas points. Rather than be shut out of the business en tirely, the lines leading from Southeast Texas to North Texas could afford to carry the lumber at a rate which would only pay the actual cost, for by doing so, it would continue the lumber industry in Southeast Texas, and the roads would derive some profit in hauling the supplies and doing the passenger business to the mills which they which the long and short haul clause of the formula to make the interest on capital interestable law is principally aimed at. Before the passage of that law. Dallas did a the lumber at no more than actual cost of the passage of that law. Dallas did a the lumber at no more than actual cost of the wheat men to a storage which the long and short haul clause of the wheat men to a storage which the long and short haul clause of the wheat men to a storage which the long and short haul clause of the wheat men to a storage which the long and short haul clause of the wheat men to a storage which were not located, but sold at a nonlympton of Texas to another, thereby enabling the

service; hence if the Texas Pacific should service; hence if the Texas Pacific should reduce the rates from mills on its line, which are nearer to the North Texas markets, the Southeast Texas hoes would need the reductions until the point of cost of service was reached. The Texas Pacific would then be doing the same business it did before at an unreasonably low profit, and would not have benefited itself at all. Suppose, however, it could reduce the rates below the cost of service from Southeast Texas, and thereby shut out those lines. For a time it would do all the business until all the pineries on its line were exhausted. After paying the previous charges in his list of distribution, if a sufficient amount is not realized to pay the capitalist on his capital invested in production and the carrier nevertheless insists on receiving the full amount on his investment, the producer or capitalists will go out of business and in the end the carrier will lose it entirely, hence self interest will suggest to the carrier that he should shrink his charges to such extent as to permit the business to go on, if such shrinkage does reduction? The consumer? No. For with competion shut out, the mill men on the Texas and Paritie would take advantage of the freight rate, leaving the price of lumer remain the same as it is, and it may be

that they

WOULD RAISE THE PRICE. Who can complain of a system of rates which will permit the Southeast Texas rounds to deliver lumber to North Texas points? The mills on the Texas and Pacific which are nearer those points? We have already discussed their claim by showing the they have no natural right by reaing that they have no natural right by rea-son of distance in a railroad and as long as they are not charged more than the value of service rendered, they have no just

ground of complaint.

Why, the very idea in the construction of railroads is to bring distant communities nearer together—to "annihilate distance." nearer together—to "annimitate distance." Is this purpose to be also pointed by consulting the selfish monopolistic interest of those who happen to be nearer by? If so, a mileage tariff will either accomplish that end or bankrupt the railways. With railroads constructed under a constitution which not only encourages competition, but which not only encourages competition, but practically commands competition, and which command is there still, notwith-standing the recent amendment, is it fair to standing the recent amenament, is it tail to the railroads of Southeast Texas who have constructed their roads to the pineries for the pupose of supplying North Texas, to so arrange the rates to sout them out of the business! Is it fair to the mill owners and land owners of Southeast Texas? Is it fair to the North Texas points to deprive them

of competition, and of large and varied sources of supply?

The interstate commerce commission, after exhaustive consideration, have reseatedly held that group rates are just, and do not unjustly discriminate against the man who is nearer the point of consump

Imperial Coal Co. 78. Railway Companies, Third annual report of I. C. C., 30 Kanfiran Milling Co. vs. Missouri Pacific

It is thus s on that the lumber rates even from the standpoint of the Toxas and Pacific railway, are made on true principles of rate making, and not from any under-taking of the railways to regulate the com-merce of the country, though the result is to benefit the commerce of the country in reneral as well as the railways in eral, without depriving any man of a lega

LONG AND SHORT HALL PROVISION. Permission Asked to Meet the Rates of Shorter Lines at Competitive Points.

By section 10 of the commission law, the commission is muthorized, in order to prevent manifest injustice, to allow the railroad companies to charge more for a long than for a short hanh. As we have already suggested, in the absence of a commission with power to fix rates for intermediate points, the long and short haul clause of the inter-state commerce law has served the purpose of preventing railway companies from en-garing in unhealthy competition at junction points, and making up the loss by charging unjust raises to intermediate points. In the absence of a commission with power to fix the tariffs, while it should not be recognized when provides which should control the when principles which should control the fixing of turiffs are allowed free operation, and are not overthrown by unbeathly rul-road competitive points, it may have been wise for the protection of intermediate points; but when we have a commission charged with the duty of seeing that rates to intermediate points are just and fair in Texas, and when a man at an in-termediate point gets what the commission inds are is justify entitled to, can be com-plaint when he is done no injury—that the rall way company charges less to some com-positive point in order to meet the rate made by the shorter line? In adjections. gare in the business at a competitive point, it is either necessary for the longer line to charge less than at some of the intermediate butions or to lose revenue from all such re justly entitled to, and thus discriminate

SUCH INTERNEDIATE STATIONS.

What injustice can be done in allowing be railway company to charge a lesser rate without giving the same rate to the in-remediate point, which would give her a ss rate than the commission has decided

What is there in the mere fact that the ate point by its main line or branch has nade a circuit in order to reach B, a desira point to compete for business! If be impeting for the business at such points ates are not made hisher at the intermedi-te station than they otherwise would be, where is any injury done to such station! On the other hand, as has been shown, if he railway company is prevented from do-ng business at competitive points, it loses he revenue therefrom, however small, and other stations on the line, including the termediate point in question, will have to ake up the deficit, so that instead of beg an injury or discrimination against the point by allowing the railway com-any to engage in competitive business at the junction point, it enables it to charge is at such point. To refuse it permiss engage in the competitive business would offer no benefit whatever on the interme ate points, and it would be a manifest in ich as to afferd it the revenue it is enti ed to), or to the other stations along the me, which would have to supply the defi-it, caused by the loss of business at com-

It may be urged that aside from the conit may be urged that aside trotal the con-ideration mentioned the short live should be allowed to do the business with B.I think his would be manifestly unjust to the long internal to the people of B for many rea-cess. Our road was built under the constitution and laws which not only encourared, but demanded competition. (See
railroad article of the constitution and subsequent acts of the legislature on the same
subject.) The railroad was thus built to B
on the faith of the constitution and laws of
Texas, which not only encouraged, but de-Texas, which not only encouraged, but de-manded competition in the business at B; now to deny it this privilege would disap-point the expectation induced by the CONSTITUTION AND LAWS OF THE STATE.

Again, under the rates fixed by the com-passion, while there would be no compet on from B in the prices, at the same time if the long line is allowed to engage in the business. B would have the cenefit of competition in facilities, and two railroad agents, instead of one, making themselves polite to get business. In the busy season it may frequently happen that a short line, if enjoying a memorally would fall to furf enjoying a monopoly, would fail to funish reasonable facilities at B, concentra der to carry the business, and leave tha at B for a more convenient time. Such things have been done, as is evidenced to he records of our courts. If the long lin are allowed to do business at competitive points, they enjoy, as they are entitled to, the benefit of competition in facilities and activity. It is true if the rates from the competitive points are so low that they will not pay the long line anything above the actual expenses of handling the same, it would not be proper for the long line to en gage in the business, but such is not the case in nespect to any competitive point reached by the Santa Fe. Trains have to

petitive business can be carried at a very siight additional cost and considerable profit derived therefrom, and whatever rofit is derived to that extent relieves the

railway company or its other stations.

In answer to the argument that the short In answer to the argument that the short-line should naturally do the business, in the particular case of the Santa Fe we say that this road cost much less than those of its principal competitors, as affected by the long and short haul clause, the Central and Missouri, Kansas and Texas, consequently in making the long haul it really has to early non more could than the other conearn on no more capital than the other com-panies do in making the short han. The principle of the long and short han clause regardless of the value of service, if gen-erally applied, would preclude water trans-portation between New Orleans and also between New York and Galveston, for the water rootes while cheaper, are much water routes while cheaper are much looger than rail routes. We think we have shown that it would

We think we have show that you be a manifest injustice to the railway company, or to its other stations, (in the present state of finances to the railway company) as well as to the junction points, to prohibit the railway company from doing pusiness at such points, or that it would be unjust to the railway company as a condition of doing business at such points to require it to shrink its revenue at intermediate stations, thereby giving such stations something they are NOT JUSTLY ENTITLED TO.

We include a table showing the points at which the Santa Fe is affected by the long and short haul clause; the rates at intermediate points are the same rates that are enjoyed by stations relatively situated on other lines. They are now practically the state of the commission as the railway commission as the railway comother lines. They are now practically the rules of the commission as the railway company is not allowed to change them without your consent, and we respectfully request that we be granted permission to meet the rules of the shorter lines at competitive points without reducing rules at intermediate points. All we have asked is the adoption of something similar to the rule of the Georgia commission, which was promulgated after thorough investigation and argument.

Brentmm via H & T. C

Pair Philis ( to Fort Worth via G., C. & S. F., ( to Fort Worth via Cotton Belt

Country into Competition.

point or group rate system prevailing in Texas, we think it is very generally founded on the value of service principle. It has been asked why the railroads could transport freight through Penison to San Antonio

55 miles, for the same rate that it charges to Deulson, apparently making the has

from Denison to San Antonio free.

By the nearest rail route Denison is 506 miles from New Orleans, 385 miles to Galvesten and 425 miles to Corpus Christi, while San Antonio is 571 miles to New Orleans, 559 miles to Galveston and 150 miles to Corpus Christi. If the rail lines leading from St. Louis and Kanasa City to San Antonio is to Corpus Christi.

from St. Louis and Kansas City to San Antonio did not give the same rate to San Au-tonio as to Denison, they would have to go out of the business at San Antonio. San

Antonio, owing to her nearer situation t

competitive water points, is entitled on the value of service principle to the same rates from Kansas City and St. Louis as Denison.

t. Louis and Kansas City can be reached y water from San Antonio with only 150 illes rall haul, and if Kansas City and St.

ouis rail lines did not give San Antonio ne same rate as Denison, all of her busi-ess would come down the Mississippi and

sence by bost to Corpus Christi, or it rould come to New Orleans or Galveston y water and thence by rail to San Antonio.

While Denison is only twenty-five miles further from New Orleans than San Au-

further from New Orleans than San An-tonio, at the same time the rates as far as Galveston are controlled by water competi-tion. The low rail rates between New Or-

leans and Gaiveston are owing to the fact that if they were raised water competition

would shortly come in and lower them, so that it is to the interest of the railway com-

pany, in order to retain all of the business, to maintain the low rates; hence the basing

point would be Galveston instead of New Orleans, and Denison is 388 miles from Gal-veston, as against 259 Galveston to San An-

While there is an apparent injustice against Denison to see freight pass through the town to San Antonio, at the same rate, she is really being benefited by the system because her cotton and other exports go to

Galveston, 388 miles, at the same rate as

from San Antonio, 259 miles, and she gets all freight from the Atlantic seaboard through the port of Galveston at the same

rate as San Antonio, and she gets the prod-

Thus the group rate is not only based, to a large extent, on correct principles, but by working both ways it

OFFSETS APPARENT DISCRIMINATIONS. Take, for instance, Dulias and Corsicana, situated north and south of each other. While Dulias sends her export products to Galveston at the same rate as Corsicana, on

the other hand Corsicana gets her Western

produce by rail at the same rate as Dallas; being situated considerably further from the Pacific coast she gets the produce of

that coast at the same rate as Dallas.

Thus the group rate system, in the long run balances the account and brings large

areas of country into competition, thereby stimulating traffic and benefiting the rail roads by additional tonnage. It is not based

as some people suppose, on the undertaking of the railway companies to regulate the commerce of the country, but is approxi-mately the result of true principles of rate

making, from the standpoint of the railways as well as the public. Another advantage of the group rate system, which is not to be

overlooked, is the facility with which through rates can be made to all parts of the country. Under the alleged mileage system it requires a tariff of seventy pages about the size of the pages of the Revised

Memphis alone to points in Tennessee, Ala

bama, Georgia, Florida, South Carolina,

North Carolina and Virginia. To make rates that way from every shipping point to every

consuming point, would probably require a

printing establishment a dozen or more times the size of the state capitol, with in-numerable rate clerks, which, though not

impossible, would certainly be far from

Texas, and vice versa, and embles the bus-

rate as San Antonio.

cts of the Pacific coast hauled to her. a istance of 375 miles further, at the same

Referring briefly to the present common

GROUP, OR COMMON POINT RATES, mades when they are reduced the rates on

A System That Brings Large Areas of pensate for the Country into Count

corn at 10 cents per bushel and se

in Georgia for 250 noles.

able to the enormous tonnage and passen ger traffic prevailing on the trink lines between the West and the Atlantic sca-board, we challenge a comparison of the present grain rates with those of any other states. Considered as a whole that are

now as low as in Kansas or Missouri. Com-

pure the Gulf, Colorado and Santa Fe local

range from 6 to 15 cents; take 12 as an average. The rate between Dallas and Texas common points is 15 to 17 . The rates out of Dallas are the same. Hence from the

of Dallas are the same. Hence from the territory in question, Dallas could take in and distribute out at a rate of 24 cents. She pays a rate of 17% from the Pauhandle, 17% out to Texas common points—a total of 25 cents. On the face of these facts, Dallas complains that wheat is shipped to points out of the state and sold, and other wheat—when demand arises for the received.

when demand arises for it in Texas-ishipped back to take its place. In other

words, that Texas is now practically ship ping its wheat in and out of the state, pay-ing freight both ways, and that the presen-

this condition

Dallas of 41 cents.

tate of the freight rates is the cause of

Now the rate on wheat out of the state is

25 cents, while the rate into the state is 40

cents, making a combined rate of 65 cents. Now we have shown that Dallas can handle Texas wheat in and out to a large area of

country and all that is naturally tributary to it, at a combined rate of \$4 cents, as against a combined rate in and out of the

tate of 65 cents, a difference in favor of

We have shown that from all the common points of the state, Dalias can handle the wheat in and out for 35 cents, a difference

with rates, saving to the railway companies
the immense expense of tariff making
which the people would ultimately have to
are directly opposite.

On the Proposition to Fix Rates, in Advance of a General Tariff, on Cotton. Lumber, Grain and Salt

It is proposed by the commission to fix the rates on cotton, grain, lumber and sait in advance of making a general tariff. If. by fixing such rates, it be proposed to ad-just them on some other than the present basis, without affecting the gross revenue of the carrier, we have nothing to urge against the proposed action of the commission, but if any reduction in rates on those articles is contemplated which will reduce the gross revenue derived therefrom we are constrained to respectfully enter an enriest protest.

protest.

We have shown you that suproximately one half of the freight earnings of the Santa. Fe are derived from cotton, lumber, grain and livestock. The proportion of most of the Texas roads is probably the same. We have also shown you conclusively, if not, at least we have made a prima factor case, that iters we have made a prima law case, that the railway company is nor, not has it been for soveral years, carning anywhere in the neighborhood of a fair sam on it invest-ment. Now if the commission concludes that the rates on the articles named are too high, in common justice to the rallway con

shipping world to become readily familiar | the mere physical act of stopping the cofton

which the people would ultimately have to bear. It also brings the producer and consumer into closer relations than isotherwise possible. Instead of factories having to ship their products to New York. Chicago, St. Louis, Galveston or Dallas for distribution, they can now ship direct to the small consuming towns, saving to the consumer the expense of the middle man. If the system injures Galveston and Dallas, it in the same proportion injures New York, Chicago and St. Louis, Unless it be the policy of rate-making, whether by government or traffic manager, to make the producer or consumer support middle-men, the group rate system is correct.

OPPOSED TO A REDUCTION.

On the Proposition to Fix Rates, in Additional contents of the read instead of sastandar case must stand; or the general treasury of the road, which means of the read. On the other hand, stopping the content of the contents of the road, and the general partons of the road, for by having it consumer support middle-men, the group rate system is correct.

OPPOSED TO A REDUCTION.

On the Proposition to Fix Rates, in Additional contents of the road, or the general partons of the road, for by having it consumer support middle-men, the group pressed the cost of transportation, there after is greatly reduced, and the general reconsumer support middle-men, the group rate system is correct.

OPPOSED TO A REDUCTION.

On the Proposition to Fix Rates, in Additional contents of the road, for the road, for by having it consumer support middle-men, the group pressed the cost of transportation, there after its present and the system of the road, for by having it consumer support middle-men, the group pressed the cost of transportation, there after its present and the system of the road, for by having it consumer support middle-men, the group pressed the cost of transportation, the read not the consumer in the particular shapeners and the system of the road, for the road

be fils.

Where the cotten does not originate at a compress point, involve to effect the saving referred to it has to be storped at some place to be compressed. It causes it some place to be compressed. It causes it shall tonid expense whitever to the railway company, to allow the owner or great out a sand mark it while it is in the company as and mark it while it is in the company. It is also that it is a first a mental, but, on the other has, it is benefit, for, as has been expended than, is a benefit, for, as has been expended to the commission, the practice challes the other has, it is benefit, for, as has been expended to the commission, the practice challes the other began to the commission, the practice challes the other to prevail where the cotton is shoped into a compress point and early at the same road, and hence there is not the similarity to be feveralled to be railways by the practice.

The final however, that the from roads make always been willing to the ballends. It for lattice the fine handless of fiving products from handless of fiving products. Where the cotten does not originale at a

If not granted a shower in transite rates, they ask for a lower integer rate. We have already shown that our too ago rates are as low as my of the local rates in an of the states situated anywhere near that Teams.

The practical effect of the required of the Dalias wheat people that the commission device some means by which are wheat could be held in the state when it is shown that the characteristics the following the state when it is shown missing.

It is true that the rate on wheat out of

growers can compele in the markets with Missouri and Karsas. It is to them what the traffic will bear, or value of service, and would be stopped in Towns and they would be without competition, thus putting the prices at such figures as the Texas millers might see in to pay.

Mr. J. Revinershoffer, representing the Texas millers, flied with the interstate commerce commission afficavits of grain.

commerce commission afficiavits of grain producers and grain dealers in Kansas to the effect that it was actined the interest of the grain men in Kansas to have the Texas millers shut out of the market. The more competition they had the better praces they got. If it is to the interest of the Kansas wheat men to have Texas millers in their markets, it is certainly equally to the interest of the Texas wheat men to have the Kansas and Missouri millers in their markets.

kets.

We think we have demonstrated that the fact that the wheat is going out of the table to-day, to some extent, is not the fault of the railway companies, but on account of lack of capital of the Texas milkers, and the fact that the Texas farmers prefer a good price in cash for their wheat to Dallas elevator certificates, with high rates of interest from Dallas bank.

Luless the freight rates are so arranged as to discriminate grainst the Texas wheat

these the froight cases are so arranged as to discriminate grained the Texas wheat prover, there will always be a large expert of Texas, wheat to Kousas and Missouri, owing to the fact that the Texas wheat crop is early and competition in those states pensate for the

Less of REVENUT FROM SURBEDUCTION.

As to the local rates on grain in this state,
no one that we know of has complained
that they are unreasonable or too high, except the gentleman from Round Rock, who
complained that an S cent rate from Round
Rock to Austin prevented him from boying
com at 10 cents are bushed and sulfacility. for wheat, making a better price for it, in-

thences its export.
A comparison of Texas with other tariffs will show that rates on corn and all other grain are as low here as in any other state similarly situated. A pentleman who is now engaged in ex-

porting grain from the port of Galveston states unhesitatingly that the grain rates in Texas to day are very reasonable. As to lumber, no one has complained to

the commission, that we know of, that the rates in general are too high. There is no testimony that a decrease in the rates We have heard of no man who has failed to build a bouse in Texas on account of the

tariff No. 6th and supplements, with the Georgia commission tarif, wheat being classed by the Georgia commission as class freight rates.

Mr. Weiss, an intellige t lumber man, stated to the commission that a reduction of rates would not result in any increase in classed by the Georgia commission as class D. By comparing their rates with their distances, it will be found that for short distances the aggreeate rates are not unterially different from those in Texas, While for distances under afty miles their rates are somewhat less than in Texas, for fifty to 100 miles they average about the the consumption of lumber in the state. Freight rates have containly not retarded the production of cotton, for under substantially the same rates, in comparatively a few years, the collon crop of Texas has increased from 400,000 to 2,000,000 bales. It same, for 100 to 200 miles they are about the same—while in Texas we hauk as high as 348 miles for a less rate than they charge is the general opinion that our people plantoo much cotton and neght to diversify their crops; at least raise more corn in-stead of depending on Kansas. No skow-ing has been made to the effect that the We do not understand that the Dallas people complain that the local rates are per se too high, but as they now are that whent cannot be stored at Dullas and afterwards distributed to other points in the state at a consumption or production of any of the articles named, and we do not believe that a reduction of the rates would result in any increased production or consumption of any of the articles referred to. profit. An examination of the redroad teriffs will show that from the bulk of the wheat producing country of Texas, except-ing the Panhandle, the local rates to Dailus

The lowa commission contended that a cen-eral reduction of rates which they had mades would cause an increase of tonnage which would more than compensate for the redution. After a two years' trul of their tariff, according to the last report of the commission, the railways were earning on their actual investment less than 1.11

## THE LAND OUESTION. How the Lands are increased in Value by

Railroad Construction. It is thought by some that the fact that

the state of Texas donated about as eso, one acres of land to the railway companies should have influence in the fixing of their There was no understanding, expresses

the grant; to the contrary, early levislation indicates that it was in the binda we mind that the railway companies should be allowed to fix their charges so as to care as much as 13 per cent on the investment (See argument of Gevernor Brown before the house committee in 1832) he house committee in 1819 | The grant of land was intended as a bo

nus to secure the investment of capital in a hazardous financial molertaking, and to as-sist in maintaining the rankways until soci-time as the development of the country made it possible to collect sufficient freight oss of interest on the investments of all hermitroads of the state to the present ime, dividends to a trining amount, if any time, dividence to a training amount, it any, having been paid, were computed, it would probably equal the value of the lands de-nated by the state at the time they were ac-quired, less the taxes that have been paid

thereon by the railroads.

Again, probably considerable more than one-half of the railway mileage of the state was constructed without any land A comparison of the assessment rolls of the various countles with the procress of railroad construction in the state will show railroad construction in the same win show that the people have received from the rail-way companies in the increased valuation of their property, caused by the construction of the roads, five or ten times as much as the lines were worth at the time they were granted to the railway companies. It is probable that at the time these lands

were granted to the railroads, none of it was worth exceeding 50 cents per acre, for the state of Texas afterwards sold thousands of acres of the land at 50 cents per

ere under an act of the legislature. But assuming that the railway lands were worth \$1.00, or even \$2.00 per more, still, if the benefit accounts were east up, it would bring the people largely in debt to the ran

way companies.
In the case of the company I represent. we only received land grants on about four hundred and thirty-two miles out of 605 con-

a her favor of 30 cents over points out of If under these conditions Dulins elevators and Dallas banks can not store the wheat of Texas in competition with the clevators and banks of Kansas and Missouri, it does not appear to be the FAULT OF THE BAILWAY TARGETS.

What we have heretofore said will apply to the claim for a storage in transit rate. While such practice has been indulged in by some of the roads in some of the states, brought about by unhealthy competition, it is against all principles of rate making, no matter what basis you adopt, and some of the roads in the states where the practice prevails in recent times have been trying to abolish it. Our recent advices are that storage in transit is practically confined to Missouri river points. The Eastern roads allow milling in transit, but make an additional charge above the through rate to cover the cost of handling in and out of

the milling point.

From Weatherford to Texarkana should a railroad be required to handle wheat into and out of Dalias, switching around the town to Mr. Cockrell's elevator, for the same rate that it would handle it from Weatherford to Texarkana! We have already shown what is the result of such practice

practicable.

Under the group rate system a tariff of one-half dozen pages enables a business man to ascertain the rates from most any point in the United States to any station in A distinguished cotton buver at the Dallas hearing drew a parallel between the concentration of cotton which now prevails